

CONSUMER RESOURCES DIVISION

HEADQUARTERS PERSONNEL – NASHVILLE

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CONSUMER PROTECTION

A key responsibility of the Division is the handling and tracking of consumer complaints. The Department of Financial Institutions is the only state agency that has the statutory jurisdiction to handle consumer concerns and complaints involving financial institutions operating under the various laws the Department administers in the State of Tennessee. The Division processes all complaints related to financial institutions chartered and licensed by the Department. If the Department receives information that does not fall within the Department's jurisdiction, those inquiries or complaints are forwarded to the appropriate agency or entity and the consumer is accordingly advised. The Division follows a practice of submitting the consumer's written complaint to the financial institution for response and communicates this in writing to the complainant or forwards the complaint to the appropriate entity if the Department does not have jurisdiction. If a complaint indicates that further review is necessary, the complaint is referred to the appropriate regulatory Division in the Department for investigation as warranted.

The Division processed a total of 532 formally filed consumer complaints in 2007. These were received from 73 of the state's 95 counties. The Division's assistance on these complaints led to refunds totaling \$66,136.

CONSUMER EDUCATION

A key strategy in helping protect consumers is to develop and coordinate educational resources that can assist consumers in making informed financial decisions. Education is a powerful tool in financial literacy. Consumers who understand their rights and responsibilities are less likely to become involved in situations that are not in their best interests. Serving as a conduit, the goal of the Division is to ensure that all Tennesseans have access to financial literacy programs that will help them make sound money management decisions. In the 2007 calendar year, the Division partnered with Tennessee Jumpstart, A Coalition for Personal Financial Literacy to provide funding and training in an effort to get financial literacy materials to elementary school teachers throughout Tennessee. This project continues into 2008. The hope is that hundreds of young Tennessee students will benefit over time not only helping those individuals but creating a consumer base that is knowledgeable which strengthens the financial services system in Tennessee and thereby encouraging economic development in the state.

Members of Division staff have been trained in the FDIC Money Smart Adult Education financial literacy program, the Freddie Mac CreditSmart program and the Neighborworks Homebuyers Education program. Additionally, the Division will be listed as a certified homebuyer training agency with the Tennessee Housing Development Agency (THDA) in 2008. In 2007, the Consumer Resources Division participated in the following financial literacy workshops across the state, reaching over 1,000 Tennessee citizens:

2007 Education and Outreach

Anti-Predatory Lending Coalition Presentation	Memphis, TN
Heritage Bank and Trust, Teach Children to Save Day	Columbia, TN
New Level Community Development Corporation, Homebuyers Training	Nashville, TN
Tennessee Housing Development Authority, Housing On Tour	Johnson City, TN
Tennessee Housing Development Authority, Housing On Tour	Clinton, TN
Tennessee Housing Development Authority, Housing On Tour	Murfreesboro, TN
WVOL Radio Station	Nashville, TN
Affordable Housing Alliance Presentation	Nashville, TN
TN Jump\$tart Teacher's Conference	Gatlinburg, TN
Tennessee Housing Development Authority, Housing On Tour	Knoxville, TN
WFSK 88.1, Fisk University	Nashville, TN
Federal Reserve Bank-Atlanta, Teachers Training	Nashville, TN
Federal Reserve Bank-Atlanta, Teachers Training	Nashville, TN
TDFI Public Service Announcement	Memphis, TN
Tennessee Housing Development Authority, Housing Counselors Training	Memphis, TN
NAREB 2007 Home Expo	Memphis, TN
UT Extension Professional Development Conference	Franklin, TN
Department of Commerce and Insurance	Nashville, TN
12th Annual Health Summit of Minority Communities	Nashville, TN
St. Augustine Catholic Church, Predatory Lending Panel	Memphis, TN
New Level Community Development Corporation, Homebuyers Training	Nashville, TN
Legal Aide of East Tennessee, Inc Newsletter	Johnson City, TN
Hendersonville High School, Credit Presentation to Teens	Hendersonville, TN
Pulaski High School, Credit Presentation to Teens	Pulaski, TN
2007 Governors Housing Summit	Nashville, TN
2007 Women's Economic Summit	Nashville, TN
St. Edwards Catholic Church Hispanic Homebuyers Workshop	Nashville, TN
TN Jump\$tart Teacher's Workshop, Financial Readiness for the Early Grades	Chattanooga, TN
TN Jump\$tart Teacher's Workshop, Financial Readiness for the Early Grades	Knoxville, TN
TN Jump\$tart Teacher's Workshop, Financial Readiness for the Early Grades	Franklin, TN

CONSUMER RESOURCES DIVISION

2007 TOP TEN CONSUMER COMPLAINTS BY ALLEGATION

Customer Service Issues 1)	102
Misrepresentation 2)	83
Payment Processing; Payment History Dispute 3)	41
Fraud 4)	20
Excessive Fees 5)	19
Account Balance Discrepancy 6)	16
Financing of Fees-Charges 7)	14
Credit Card Issues 8)	13
Scams 9)	12
Account Fee Issues 10)	12



- 1) Issues included phone calls not returned by staff at financial institutions, incorrect information given, a requested transaction or service was not performed or did not occur in a timely manner.
- 2) Interest rate quotes (loan rate higher than original quote, closing date set and changed or missed, fixed rate ends up as adjustable rate, etc.).
- 3) Payments not made or processed in a timely manner.
- 4) Covers fraudulent activities not under scams, forgeries, insider information, identity theft, etc.
- 5) Covers closing fees, loan processing fees, loan administration costs, late charges, etc.
- 6) Issues include possible improper disposition of records, sharing of information, etc.
- 7) Consumer disputed the amount of fees or charges financed in with their loan account.
- 8) Issues included interest rate charges, late fees assessed, collection activities.
- 9) Covers Internet lending, e-mail schemes, illegal offers.
- 10) Covers fees for service charges, check cashing fees, etc.

2007 COMPLAINT TOTALS BY INDUSTRY

	DEFAULT*	TILT**	MTG	MLO	CC	DP	TITLE PLEDGE	CU	BANK	TOTAL
2007 Year to Date	55	20	195	2	1	16	24	17	202	532
Percent of Total Complaints (%)	10%	4%	37%	0%	0%	3%	5%	3%	38%	100%

Compliance Division Regulated Industries

NOTE- Bank and Credit Union data includes federally-chartered, other state-chartered and Tennessee state-chartered institutions

*Default category contains phone calls, e-mail, correspondence received, complaint form mailed but completed form not returned; complaint or financial institution was not under the Department's jurisdiction and the complaint was referred to the correct regulatory authority.

**Tennessee Industrial Loan and Thrift Companies

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2007 INDUSTRY COMPLAINTS BY COUNTY

County Names	DEFAULT	TILT	MTG	MLO	DP	CC	TP	MT	CU	BANK	TOTAL	PERCENT
Out of State	8		23					1	2	21	55	10.3%
ANDERSON	1										1	0.2%
BEDFORD			3							1	4	0.8%
BENTON											0	0.0%
BLED SOE			1								1	0.2%
BLOUNT			3								5	0.9%
BRADLEY								1		2	1	0.2%
CAMPBELL			1							2	3	0.6%
CANNON											0	0.0%
CARROLL			4								4	0.8%
CARTER			1								1	0.2%
CHEATHAM	1	1	3							2	7	1.3%
CHESTER											0	0.0%
CLAIBORNE										1	1	0.2%
CLAY											0	0.0%
COCKE			1							1	2	0.4%
COFFEE					1					2	3	0.6%
CROCKETT					1						1	0.2%
CUMBERLAND											2	0.4%
DAVIDSON	7	2	26	1	4	1	5			22	68	12.8%
DECATUR											0	0.0%
DEKALB											0	0.0%
DICKSON		2								1	3	0.6%
DYER			1								1	0.2%
FAYETTE			2							1	3	0.6%
FENTRESS			1								1	0.2%
FRANKLIN	2										2	0.4%
GIBSON		1	1				1			1	4	0.8%
GILES		1									1	0.2%
GRAINGER										1	1	0.2%
GREENE			2							2	4	0.8%
GRUNDY											0	0.0%
HAMBLEN	4	1	3							4	12	2.3%
HAMILTON	2		8		1					9	20	3.8%
HANCOCK											0	0.0%
HARDEMAN										1	1	0.2%
HARDIN										1	1	0.2%
HAWKINS			1							1	2	0.4%
HAYWOOD			1								1	0.2%

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County Names	DEFAULT	TILT	MTG	MLO	DP	CC	TP	MT	CU	BANK	TOTAL	PERCENT
HENDERSON		1								1	2	0.4%
HENRY	1									2	3	0.6%
HICKMAN			1				2			2	5	0.9%
HOUSTON											0	0.0%
HUMPHREYS											0	0.0%
JACKSON											0	0.0%
JEFFERSON			3							1	4	0.8%
JOHNSON										2	2	0.4%
KNOX	6	1	6		1		1		1	9	25	4.7%
LAKE											0	0.0%
LAUDERDALE											0	0.0%
LAWRENCE										1	1	0.2%
LEWIS											0	0.0%
LINCOLN			2							1	3	0.6%
LOUDON			1				1				2	0.4%
MCMINN		1			1				1	1	4	0.8%
MCNAIRY	1									3	4	0.8%
MACON	1										1	0.2%
MADISON			4							4	8	1.5%
MARION	1		2							3	5	0.9%
MARSHALL											0	0.0%
MAURY		1	1				1			2	5	0.9%
MEIGS											0	0.0%
MONROE			1								1	0.2%
MONTGOMERY			4		1					6	11	2.1%
MOORE											0	0.0%
MORGAN							1			4	5	0.9%
OBION			1								1	0.2%
OVERTON											0	0.0%
PERRY	1										1	0.2%
PICKETT											0	0.0%
POLK			1	1							2	0.4%
PUTNAM	2									5	7	1.3%
RHEA			1								1	0.2%
ROANE			1		1					1	3	0.6%
ROBERTSON			4								4	0.8%
RUTHERFORD	1	2	6				2			9	20	3.8%
SCOTT										2	2	0.4%
SEQUATCHIE		1	1						1	1	4	0.8%
SEVIER	1		4							4	9	1.7%
SHELBY	10	1	45		4		4		7	21	92	17.3%
SMITH											0	0.0%
STEWART										1	1	0.2%

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County Names	DEFAULT	TILT	MTG	MLO	DP	CC	TP	MT	CU	BANK	TOTAL	PERCENT
SULLIVAN			2						3	4	9	1.7%
SUMNER	2	2	7		1				1	5	18	3.4%
TIPTON		1	1				2				4	0.8%
TROUSDALE											0	0.0%
UNICOI									1	1	2	0.4%
UNION			1							3	4	0.8%
VAN BUREN	1										1	0.2%
WARREN			1							1	2	0.4%
WASHINGTON	1	1	4				1			5	12	2.3%
WAYNE											0	0.0%
WEAKLEY										1	1	0.2%
WHITE			1							1	2	0.4%
WILLIAMSON			1							15	16	3.0%
WILSON			2				1			2	5	0.9%
UNKNOWN	1										1	0.2%
TOTALS	55	20	195	2	16	1	24	0	17	202	532	100%

* Out of state: Complaints received from consumers living out of state who are either former residents of Tennessee or have an affiliation with an entity licensed or located in the state of Tennessee.

1 - Default/Unknown category contains: phone calls, e-mails, correspondence received, complaint form mailed but completed form not returned; complainant or financial institution was not under the Department's jurisdiction and the complaint was referred to the correct regulatory authority.

KEY TO ABBREVIATIONS:

MRT - Mortgage
TILT - Tennessee Industrial Loan and Thrift
DP - Deferred Presentment
CC - Check Casher
PF - Premium Finance
MT - Money Transmitter
DEF - Default
BK - Bank
CU - Credit Union
TP - Title Pledge
OWN - Owners